



Department of Justice

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AG
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Attorney General William French Smith said today that a Department of Justice investigation found no evidence that William J. Casey, Director of Central Intelligence, violated the Foreign Agents Registration Act in his private law practice in 1976.

The Attorney General said he had reported his findings to the U.S. Court of Appeals for the District of Columbia Circuit under the Special Prosecutor Provisions of the Ethics in Government Act.

As required by law, the report was filed in camera with the court Wednesday. It was accompanied by a request, granted today, that the court permit the report to be made public.

The Attorney General said the Justice Department investigation began after a Washington Post story alleged last January 7 that Casey, in 1976, had failed to file under the Act, known as FARA, when he was a private attorney for the Indonesian government on a matter involving oil production contracts and tax issues.

Under FARA, the Attorney General noted, a person seeking changes in U.S. policy on behalf of a foreign principal must register with the Justice Department.

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The Attorney General said the Department's investigation determined that Casey's representation of Indonesia did not involve efforts to change U.S. policy. Therefore, the Attorney General said, Casey was covered by one of the FARA exemptions and was not required to register.

In his report to the court, Smith said:

"The evidence developed in the course of the investigation indicates that Mr. Casey's representation of Indonesia was limited to efforts to obtain, as expeditiously as possible, an agreement with the Internal Revenue Service as to the changes that would be necessary in Indonesian oil production sharing contracts and tax code to ensure that payments made under the contracts would be creditable under the United States tax law. At all times, the fact that Mr. Casey was representing Indonesia was made clear to those officials with whom he was dealing. The evidence does not support a conclusion that at any time Mr. Casey sought to persuade or influence officials to change any agency policy . . .

"Mr. Casey's representation of Indonesia was open and above-board, and his disclosure of his client's identity as required by the attorney exemption to FARA is evidence of his good-faith efforts to comply with the requirements of the Act."

The allegations against Casey are not supported by the evidence developed in the investigation, the Attorney General said, and it is unlikely that any evidence would be developed during a further inquiry.

"I hereby notify the court," Smith's report said, "that I find this matter to be so unsubstantiated that no further investigation or prosecution is warranted and that no Special Prosecutor should be appointed for this matter."

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Q. When did the Casey investigation begin?

A. On January 7, the day the article containing the allegations against him appeared in The Washington Post. Under the Act, the Justice Department has 90 days to conduct its preliminary inquiry. The 90-day period expired on Wednesday, April 7.

Q. Does the Attorney General's report reflect a unanimous view in the Department, or did some Justice officials feel a special prosecutor should have been appointed?

A. The report's findings reflect a unanimous view -- from the Criminal Division up to the Attorney General.

Q. Was Casey questioned?

A. Yes.

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Q. Does this end the matter, or could the court order a special prosecutor be appointed?

A. The Attorney General's report concludes the matter.

Q. What other Special Prosecutor matters have you been involved in?

A. On December 1 and December 23, the Department announced it was closing inquiries into matters involving Richard Allen. On December 23, the Department announced that it had applied to the Special Court for a Special Prosecutor in the Secretary Donovan case.

Q. What is the status of the Donovan case?

A. You will have to ask the Special Prosecutor.

Q. How many people were questioned in the Casey investigation?

A. In all, 29 persons--including Casey.

Q. Both in and out of government?

A. Yes.

Q. Has Casey been notified?

A. A few minutes prior to our public announcement, the Attorney General notified Casey, the Deputy Attorney General notified the Counsel's office at The White House. Calls were also made to members of Congress who were interested in this matter.

Q. Do you have any other matters involving Casey under investigation?

A. No.

Q. Who conducted the Casey interviews?

A. The FBI and Criminal Division attorneys.

Q. Do you still favor changes in the Special Prosecutor law?

A. Without regard to any specific case, let me say that our position on that matter was expressed long ago--and still holds.

✓ Tom
Art
John

An additional Casey Q&A:

Q. Are you looking at possible violations by Casey in his financial disclosure forms?

A. The Department has never had any specific information of a violation under the Ethics in Government Act with regard to disclosures. It's a closed matter.